

## Part II, Chapter 5

# Summary and Conclusions

The current District of Columbia Child Support Guideline has not been revised since 1990 and many parts of it are in the original form, which was developed in 1987. Consequently, the District of Columbia is conducting an extensive and in-depth review of its Child Support Guideline. As part of this review, the Child Support Guideline Commission has reviewed more recent studies of child-rearing costs and case file data to determine the application of and deviations from the Guideline. They have used this information to develop recommendations on how the Guideline can be updated and modified to result in more equitable and appropriate award levels.

In Part I, the Commission recommends updating the child support formula to consider new measurements of child-rearing costs. After considering the impact of three different measurements, the Commission recommended that the formula be updated using the Betson-Rothbarth measurements. They are arguably the most theoretically sound and empirically plausible. They form the basis of guidelines in 21 states. The other new measurements of child-rearing costs considered by the Commission do not form the basis of any state's guidelines and in some situations, result in order amounts that exceed income withholding limits set by the Consumer Credit Protection Act.

The patterns evident in all of the new measurements of child-rearing costs differ significantly from the current Guideline formula. One of the most pronounced differences is that the percent of income devoted to child-rearing expenditures decreases as income increases, although the absolute dollar amount increases. The current Guideline formula applies the opposite; that is, an increasing percentage of the noncustodial parent's income to child support.

Another major difference is that the current Guideline formula is only applied presumptively up to noncustodial parent's gross incomes of \$75,000 per year. The new measurements of child-rearing costs will allow the formula to be applied to combined gross incomes of \$240,000 per year. Measurements of child-rearing expenditures are now available for higher incomes because more recent data is used to develop the measurements. A related point is that the updated formula will apply to the combined incomes of the parents rather than the noncustodial parent's income only since the measurements of child-rearing costs consider both parents' incomes in their derivation.

Other recommended changes to the formula pertain to the updating of the low-income adjustment; the elimination of the custodial parent disregard; and, the prorating of work-related child care expenses, the child's health insurance premium, and the child's extraordinary medical expenses between the parents. The low-income adjustment method has been updated to consider the most recent measurements of poverty. The low-income adjustment method has also been modified to assure that order amounts reflect what a low-

income noncustodial parent is able to pay while still living at least at a subsistence level after the payment of child support.

The custodial parent disregard is eliminated because it does not reflect today's norms and trends that indicate child support and work are complements and both are needed to keep single-parent families out of poverty. Further, the custodial parent disregard, which included child care, has been replaced with a more appropriate treatment of work-related child care costs. The existing treatment of child care places most of the burden of child care costs on the custodial parent, even when the noncustodial parent has a greater ability to pay. Prorating child care costs between the parents is a more equitable approach.

For similar reasons, the Commission has recommended that the child's health insurance premiums and the child's extraordinary medical expenses be prorated between the parents.

In summary, the proposed changes to the Guideline formula are based on more current economic evidence and are more consistent with that economic evidence. This contributes to the validity of the Guideline and results in more equitable and appropriate order amounts.